

Message Text

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TAGS: PINT, IT

SUBJECT: VIEWS OF VARIOUS POLITICAL LEADERS ON SOLUTIONS TO
THE PRESENT ITALIAN POLITICAL CRISIS

1. BOTH I AND MEMBERS OF MY STAFF HAVE MET WITH A NUMBER OF
POLITICAL LEADERS AND OBSERVERS WITHIN LAST 48 HOURS. WE
HAVE RECEIVED A VARIETY OF DIFFERENT VIEWS ON HOW THE PRESENT
CRISIS SHOULD BE RESOLVED. THE FOLLOWING PARAGRAPHS SUMMARIZE
THOSE VIEWS AND, SHOW, BY THEIR VARIETY THAT WE ARE STILL
SOME WAY FROM CLEAR DECISIONS ON NEXT MOVES.

2. THE REPUBLICANS: VICE PM LA MALFA (PRESIDENT OF PRI)
TOLD ME THAT, IF HE WERE A CHRISTIAN DEMOCRAT (DC), HE WOULD
OPT FOR EARLY ELECTIONS. HIS ARGUMENT WAS BASICALLY ECO-
,9.8:: AS PART OF THE PRICE FOR RETURNING TO THE GOVERNMENT
THE SOCIALISTS (PSI) WOULD DEMAND PROGRAM CHANGES WHICH WOULD
DEFEAT ANY HOPE OF EVEN A MODEST ECONOMIC RECOVERY IN THE NEXT
YEAR. IN PARTICULAR, THEY WOULD DEMAND THAT THE UNIONS BE
GIVEN LARGER RAISES IN COLLECTIVE BARGAINING CONTRACTS (DE-
SPITE THE FACT THAT RAISES FOR MOST MAJOR CATEGORIES ARE WELL
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AHEAD OF INFLATION DURING THE PAST YEAR) WHICH WOULD, TOGETHER

WITH OTHER PUBLIC SERVICE SPENDING CREATE ANOTHER INFLATION-ARY SPIRAL. THUS, IN LA MALFA'S VIEW, THE ECONOMY WOULD BE WORSENERD IN THE NEXT YEAR AND THE DC WOULD INEVITABLY REAP THE BLAME. LA MALFA HAS OBVIOUSLY EXPRESSED THESE VIEWS TO MORO WHO, HE SAID, REMAINS UNDECIDED. LA MALFA ALSO MADE CLEAR THAT IF A NEW GOVERNMENT WERE FORMED, HE WOULD EXPECT THE PRI TO BE PART OF IT. HE ALSO COMMENTED TO EFFECT THAT ZACCAGNINI WAS PERFECTLY CAPABLE OF RUNNING A GOOD CAMPAIGN FOR THE DC. IN A CONVERSATION WITH THE DCM, ADOLFO BATTAGLIA (PRI), UNDERSECRETARY MFA, EXPRESSED THE VIEW THAT IF THE PSI GOES BACK INTO THE GOVERNMENT THE PRI COULD NOT BE PART OF IT. THIS STATEMENT, WHILE CONFLICTING WITH THAT OF LA MALFA, REFLECTS THE BITTERNESS THAT HAS DEVELOPED BETWEEN THE PSI AND PRI, PRIMARILY OVER ECONOMIC POLICY, OF WHICH LA MALFA HAS BEEN IN CHARGE IN THE LAST GOVERNMENT.

3. CHRISTIAN DEMOCRATS: AGRICULTURE MINISTER GIOVANNI MARCORA TOLD ME YESTERDAY THAT HE IS VERY MUCH OPPOSED TO EARLY ELECTIONS, PRIMARILY BECAUSE THE PARTY IS NOT READY FOR THEM. THE PARTY NEEDS TO HOLD ITS CONGRESS AND SORT OUT SOME OF ITS INTERNAL PROBLEMS BEFORE FACING THE OPPOSITION IN AN ELECTORAL CAMPAIGN. MARCORA IS BASICALLY VERY DISCOURAGED. HE SEES THE MIDDLE CLASS, WHICH SHOULD BE THE SOURCE OF DC STRENGTH, BEING SUCCESSFULLY WOODED BY THE PCI. A LARGE PART OF THE MIDDLE CLASS HAS LOST ITS FEAR OF THE PCI, OTHERS ARE CONVINCED THAT THEY CAN MAKE A DEAL WITH WHOEVER COMES TO POWER, AND HARDLY ANY ARE WILLING TO DEVOTE EITHER TIME OR MONEY TO A POLITICAL FIGHT AGAINST THE LEFT. THUS, WHILE MARCORA IS NOT REALLY OPTIMISTIC THAT THE MIDDLE CLASS WILL CHANGE, HE IS CONVINCED THAT THE DC MUST SEEK TIME, BOTH TO TRY RESOLVE ITS INTERNAL PROBLEMS AND TO TRY TO RE-AWAKEN THE MIDDLE CLASS. THEREFORE, HE REASONS EARLY ELECTIONS MUST BE AVOIDED. HE IS STRONG IN HIS ENDORSEMENT OF ZACCAGNINI REMAINING AS SECRETARY OF THE PARTY. AS TO THE FORMATION OF A NEW GOVERNMENT, HE DOESN'T THINK MORO IS THE MAN TO DO IT BECAUSE THE PSI BELIEVES THAT HE HAS DELIBERATELY TRIED TO CUT THEM OFF IN FAVOR OF AN UNDER-THE-TABLE ARRANGEMENT WITH THE PCI. NEITHER WOULD HE FAVOR FORLANI. ALTHOUGH FORLANI HAS A GOOD PUBLIC IMAGE, MARCORA IS NOT CONVINCED THAT HE HAS THE EXECUTIVE ABILITY NEEDED TO RUN A GOVERNMENT EFFECTIVELY IN

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TIMES LIKE PRESENT. MARCORA CONCLUDES THAT ANDREOTTI IS PROBABLY THE BEST CHOICE, IN TERMS OF ABILITY, ACCEPTABILITY WITHIN THE DC AND GOOD RELATIONS WITH AT LEAST ONE FACTION OF THE PSI (MANCINI).

4. VALENTINO, PRES. LEONE'S ADVISER ON DOMESTIC AFFAIRS, TOLD THE POLITICAL COUNSELOR THAT THE PRESIDENT WAS FIRMLY CONVINCED THAT EARLY ELECTIONS WOULD BE A MISTAKE. ACCORD-

INGLY, THE PROBLEM IS TO FIND A FORMULA FOR A NEW GOVERNMENT. IN THIS, VALENTINO SEES THE PSI DEMAND TO ASSOCIATE THE PCI TO THE GOVERNING MAJORITY AS THE MOST DIFFICULT HURDLE. HE POSTULATED A FOUR PARTY (DC, PSI, PRI, PSDI) GOVERNMENT THAT WOULD AGREE ON A PROGRAM THAT WOULD BE ACCEPTABLE TO ALL REMAINING PARTIES OF THE "CONSTITUTIONAL ARC" (I.E., THE PLI AND PCI) AND ON WHICH THE LATTER WOULD ABSTAIN. THIS WOULD, HE SUGGESTED, AVOID THE PROBLEM OF COMMUNIST SUPPORT FOR A DC-LED GOVERNMENT AND AT THE SAME TIME PROVIDE A RESPECTABLE WAY OUT FOR THE PSI'S DEMAND THAT THE PCI NOT BE "PREJUDIC- IALLY" EXCLUDED. THE POLITICAL COUNSELOR EXPRESSED SCEPTI- CISM THAT THIS FORMULA WOULD ACCOMPLISH WHAT THE PSI WANTS (TO MAKE IT IMPOSSIBLE FOR THE PCI TO CRITICIZE GOVERNMENT PROGRAMS), AND THAT THE GENERAL PUBLIC WOULD HAVE DIFFI- CULTY IN DISTINGUISHING BETWEEN THIS FORMULA AND THAT PRO- POSED BY THE PSI.

5. IN CONVERSATIONS WITH EMBOFF, SEVERAL CHRISTIAN DEMOCRATIC SOURCES REPRESENTING CENTER-RIGHT ELEMENTS OF PARTY HAVE IN- DICATED THAT DC WILL REFUSE ANY SUBSTANTIAL CHANGE IN ITS PREVIOUSLY EXPRESSED POSITION PRECLUDING PCI ASSOCIATION WITH GOVERNING MAJORITY. HOWEVER, THESE SOURCES STATE THAT DC WOULD BE WILLING TO MAKE VERY GENEROUS OFFER TO SOCIALISTS IN TERMS OF MINISTERIAL AND OTHER POSTS AND CHANGES IN ECO- NOMIC PROGRAM TO SUIT SOCIALIST DEMANDS. IF SOCIALISTS WANT TO AVOID EARLY ELECTIONS, THESE SOURCES REASON, THEY WILL ACCEPT DC OFFER. IF NOT, THEY WILL INSURE EARLY ELECTIONS BY PRESSING HARD FOR NEW PCI ROLE IN MAJORITY. THESE SOURCES BELIEVE ANDREOTTI WOULD BE MAN MOST LIKELY TO SUCCEED AS GOV- ERNMENT FORMATEUR IN SUCH A DEAL WITH PSI, WHERE HE WOULD PRESUMABLY BE AIDED BY HIS TIE WITH MANCINI.

6. TWO DC SOURCES CLOSE TO OR FAVORING ZACCAGNINI LINE WITHIN CONFIDENTIAL

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PARTY HAVE TOLD EMBOFF THEY BELIEVE EARLY ELECTIONS ARE MOST LIKELY OUTCOME OF CRISIS. HOWEVER, THEY BELIEVE DC WILL AT LEAST ATTEMPT TO REACH ACCORD WITH PSI ON BASIS OF REASONABLY GENEROUS OFFER OF POWER AND PATRONAGE POSITIONS. THESE SOURCES BELIEVE MORO IS MAN MOST LIKELY TO BE PICKED BY LEONE TO LEAD DC EFFORT TO MAKE DEAL WITH PSI AND SAY THAT, IF HE FAILS, THEN EARLY ELECTIONS BECOME INEVITABLE.

7. THE SOCIALISTS: THE LEADERS OF THE PSI HAVE BEEN BUSY WITH THEIR DIRECTORATE MEETING FOR THE LAST 48 HOURS AND HAVE NOT BEEN EXPRESSING IN PUBLIC OR PRIVATE ANY SPECIFIC SUGGES- TIONS FOR RESOLUTION OF THE CRISIS BEYOND THE GENERAL FORMULA CONTAINED IN THE DIRECTORATE'S COMMUNIQUE (ROME 00176). THE PSI IS HOWEVER APPARENTLY VERY WORRIED BY ITS ISOLATION AND BY ITS FAILURE TO ATTRACT APPARENTLY ANTICIPATED SUPPORT FROM

THE PCI AND FROM THE TRADE UNIONS. OBVIOUSLY, THE PSI HOPED
TO GRAB THE POLITICAL INITIATIVE BY ITS SUDDEN AND DRAMATIC
WITHDRAWAL FROM THE MAJORITY, BUT IT IS NOW BEHAVING VERY MUCH
LIKE A PARTY ON THE DEFENSIVE WHICH HAS NOT THOUGHT THROUGH
WHAT TO DO NEXT. VOLPE

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